

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

07 CV 5603

H.R.H. PRINCE FAISAL BIN KHALID BIN
ABDULAZIZ SAUD,

Plaintiff,

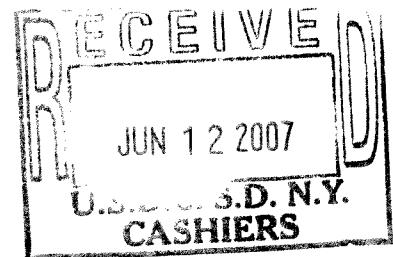
-against-

PIA INVESTMENTS LIMITED, PAKISTAN
INTERNATIONAL AIRLINES CORPORATION,

Defendant.

JUDGE BUCHI WALD

NOTICE OF REMOVAL



PLEASE TAKE NOTICE that pursuant to 28 U.S.C. §§ 1441 and 9

U.S.C. § 205, Defendants PIA Investments Limited ("PIAIL") and Pakistan International Airlines Corporation ("PIAC") hereby give notice of removal of the above-captioned action, Index No. 601848/07, pending in the Supreme Court of the State of New York, County of New York. In support of removal, Defendants state as follows:

1. This Notice of Removal is timely pursuant to 9 U.S.C. § 205 insofar as it is being filed before the trial of this action.
2. The Supreme Court of the State of New York, County of New York is located within the Southern District of New York.

3. Pursuant to 28 U.S.C. § 1446(a), a copy of all process, pleadings, and orders served upon defendants, which papers include the summons and Complaint, is attached hereto as Exhibit A.

4. This court has original jurisdiction of this action under 9 U.S.C. § 203, and this action is therefore removable to this Court on that basis, given that no party is a citizen of the United States and the claims asserted herein are subject to mandatory arbitration.

5. Plaintiff H.R.H. Prince Faisal Bin Khalid Bin Abdulaziz Saud ("Prince Faisal") is a citizen of Saudi Arabia.

6. PIAIL is a corporation organized under the laws of the British Virgin Island with its principal place of business in Pakistan.

7. PIAC is a corporation organized under the laws of Pakistan with its principal place of business in Pakistan.

8. Prince Faisal and PIAIL are shareholders of PIAC.

9. In the Complaint, Prince Faisal asserts claims for breach of contract and breach of the implied covenant of good faith and fair dealing. Both of these claims relate to a Shareholders' Agreement dated June 30, 1979 by and between Prince Faisal, PIAIL and PIAC (the "Shareholders' Agreement"), a copy of which is attached hereto as Exhibit B. The Shareholders Agreement contains the following arbitration clause:

"If any question or difference whatsoever shall arise between the parties touching this Agreement or any clause or thing herein

contained or the construction thereof, or as to any matter in any way connected therewith or arising therefrom, then, and in all such cases, the matter in dispute shall be referred to arbitration in London by three arbitrators in accordance with the Rules of Conciliation and Arbitration of the International Chamber of Commerce, Paris and any awards rendered in such arbitration shall be final and binding on the parties, who shall give full effect thereto."

(Shareholders' Agreement ¶ 16). Thus, the arbitration clause governs the contract claims asserted by Prince Faisal in this lawsuit.

10. The other claims asserted in the Complaint are tortious interference with an existing contract, tortious interference with an economic relationship, and civil conspiracy. The factual predicate for each of these claims is the allegation that Defendants' attempt to redeem Plaintiff's shares of PIAIL under Articles 176 and 179 of the Articles of Association of PIAIL, a copy of which is attached hereto as Exhibit C, is somehow interfering with Plaintiff's contractual relationship with non-party Alpha Cayman Capital Limited. As Plaintiff alleges:

"PIAC and the Company were aware of the contractual obligations between Prince Faisal and Alpha and have intentionally tried to strip Prince Faisal of the benefit of his bargain with Alpha by forcing him to redeem his shares for a fraction of their worth. PIAC and the Company have interfered intentionally, and Prince Faisal would have sold the shares to Alpha but for the Defendants' interference."

(Compl. ¶ 20, 25). Furthermore, Plaintiff also alleges that:

"Rather than exercise its right of first refusal to Prince Faisal's shares in the Company, PIAC has attempted to wrest control of his shares by conspiring with the Company to instigate a forced redemption of Prince Faisal's shares for a fraction of their worth."

(Compl. ¶ 44).

11. The PIAIL Articles of Association contain the following arbitration clause:

"Whenever any difference arises between the Company on the one hand and any of the members or their executors, administrators or assigns on the other hand, touching on the true intent and construction or the incidence or consequences of these Articles or of the Act, touching anything done or executed, omitted or suffered in pursuance of the Act or touching any breach or alleged breach or otherwise relating to the premises or to these Articles, or to any Act or Ordinance affecting the Company or to any of the affairs of the Company such difference shall be referred to arbitration in London by three arbitrators in accordance with the Rules of Conciliation and Arbitration of the International Chamber of Commerce, Paris, and any award or awards rendered in such arbitration shall be final and binding on the parties who shall give full effect thereto."

(PIAIL Articles of Associate, Article 141).

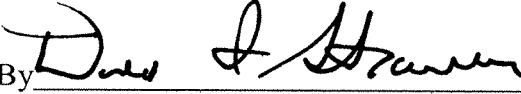
12. This is a dispute among the Company, PIAIL, and two of its shareholders. At issue in Prince Faisal's tortious interference and civil conspiracy claims is the propriety of PIAIL's redemption of Prince Faisal's shares under Articles 176 and 179 of the PIAIL Articles of Association. Accordingly, Prince Faisal's claims are covered by the arbitration clause set forth in the PIAIL Articles of Association.

13. All Defendants consent to this removal.

14. Pursuant to 28 U.S.C. § 1446(d), a copy of this Notice of Removal is being filed with the Supreme Court of the State of New York, County of New York.

Dated: June 11, 2007

CHADBOURNE & PARKE LLP

By 

Donald I Strauber (DS-9256)
A Member of the Firm
Attorneys for Defendants PIA Investments
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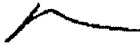
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Exhibit A

Plaintiff designates New York County as the place of venue. Venue is properly based in this Court pursuant to N.Y. C.P.L.R. § 503(a).

Dated: New York, New York
June 4, 2007

GIBSON, DUNN & CRUTCHER LLP

By: 

Mitchell A. Karlan

200 Park Avenue,
47th Floor
New York, New York 10166-0193
Telephone: (212) 351-4000
Facsimile: (212) 351-4035

Attorneys for Plaintiff

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

H.R.H PRINCE FAISAL BIN KHALID BIN
ABDULAZIZ AL SAUD,

Plaintiff,

v.

PIA INVESTMENTS LIMITED, PAKISTAN
INTERNATIONAL AIRLINES CORPORATION,

Defendants.

x

Index No.

COMPLAINT

07601848

FILED
JUN 04 2007

NEW YORK
COUNTY CLERK

x

Plaintiff, His Royal Highness Prince Faisal Bin Khalid Bin Abdulaziz Al Saud ("Prince Faisal"), by its undersigned counsel, for its complaint against Defendants PIA Investments Limited (the "Company") and Pakistan International Airlines Corporation ("PIAC"), alleges as follows:

THE NATURE OF THE ACTION

1. This is an action for tortious interference with an existing contract; tortious interference with an economic relationship; breach of contract; breach of the implied covenant of good faith and fair dealing; and civil conspiracy. Prince Faisal seeks emergency relief against the Company's imminent redemption of Prince Faisal's shares in the Company. Through the secretive machinations of its controlling shareholder, PIAC, the Company has instigated a forced redemption of Price Faisal's shares in the Company, despite Prince Faisal's notice to the Company and PIAC that he has entered into a valid agreement with a third-party to sell these shares and the expiration of the right of first refusal in regards to these shares. Indeed, rather than buy Prince Faisal's shares according to the terms of the Shareholder's Agreement via

exercise of its right of first refusal, PIAC is attempting, through its control and dominion of the Company, to force a redemption of Prince Faisal's shares for a grossly reduced price.

THE PARTIES

2. Plaintiff Prince Faisal is a citizen of Saudi Arabia.

3. On information and belief, Defendant Company is a company that was first incorporated under the laws of Shariah and was reorganized under the laws of the British Virgin Islands in 1986 as an international business company. The Company carries on the business of real estate investment. The Company owns and manages, through subsidiaries, several hotels, including the Roosevelt Hotel in Manhattan and the Hotel Scribe in Paris, France.

4. On information and belief, Defendant PIAC is a Pakistani corporation with limited liability formed under the laws of Pakistan. PIAC is the national airlines of Pakistan and owns 99% of the common stock of the Company. It fully exercises dominion and control over the Company and will be the effective sole beneficiary of the impending redemption proceeding.

BACKGROUND

5. The Company was first incorporated under the laws of Sharjah and was continued into the BVI as an International Business Company under the International Business Companies Act (Cap.291) on December 31, 1986. The Company was automatically re-registered under the BVI Business Companies Act, 2004 on January 1, 2007. On June 30, 1979 the Prince Faisal and PIAC entered into a shareholders agreement so as to regulate their affairs in respect of the Company ("the Shareholders Agreement").

6. The Company originally issued 800,000 shares, with Prince Faisal owning 400,000 shares and PIAC owning 400,000 shares. Prince Faisal presently owns 8,000 shares of 100 Dirhams each par value the Company, representing approximately 1% of the issued share

capital of the Company. PIAC is the controlling shareholder of the Company and holds the balance of the issued share capital.

7. Under section 13 of the Shareholders Agreement, Prince Faisal is authorized to sell, transfer, assign or otherwise dispose of his shares in the Company so long as he first gives PIAC written notice of his intention to do so and affords PIAC the right of first refusal at a price and on terms no less favorable than the price and terms at which Prince Faisal can make a bona fide disposition thereof.

8. Indeed, Prince Faisal had exercised his right to sell his shares in the Company in November 2005 under section 13 of the Shareholder's Agreement. On November 18, 2005, Prince Faisal gave notice to PIAC that he had entered into a purchase and sale agreement with a third-party purchaser, RooScri Holdings, LLC, with respect to his 392,000 shares of the Company. As required under the Shareholder's Agreement, Prince Faisal offered his shares to the PIAC at the same price (\$67,750,000) and on the same terms and conditions set forth in the purchase and sale agreement with RooScri Holdings, LLC. PIAC exercised its right of first refusal and agreed to purchase these shares, 49% of Prince Faisal's holding.

9. On about March 9, 2007 Prince Faisal gave notice to PIAC that he intended to sell 7200 shares in the Company to Alpha Capital MC Limited ("Alpha") for the amount of \$8,600,000. This notice was given in accordance with the rights of pre-emption set out in section 13 of the Shareholders Agreement discussed above.

10. PIAC had sixty days after receipt of the offer in which to accept Prince Faisal's offer. Failure to take respond constituted irrevocable determination by PIAC not to accept. PIAC never responded to Prince Faisal's offer and the sixty days has expired. In fact, rather than permit the sale to proceed, or acquiring the shares as PIAC was entitled to do, PIAC instructed

the Company to redeem the Claimant's shares as an end-run around Prince Faisal's shareholder rights.

11. Indeed, on April 24, 2007, a month and a half after Prince Faisal gave notice to PIAC of his intent to sell his shares for over \$8 and half million dollars, Prince Faisal received a Notice of Compulsory Redemption of Shares in the Company ("the Company Notice"). The Company Notice was purported to have been served pursuant to section 176 of the British Virgin Islands Business Companies Act, 2004 (as amended) ("the Act").

12. The Company Notice stated that the Company intended to redeem Prince Faisal's shares on May 2, 2007 for the paltry sum of \$480,000 (equivalent to roughly \$60 per share) – a sum over \$8 million dollars less than the amount offered by Alpha to Prince Faisal for his shares. The Company Notice, however, was potentially defective in a number of critical aspects under BVI law.

13. Without waiving his right to contest this redemption as illegal and invalid under both New York and BVI law, Prince Faisal, out of the abundance of caution and in accordance with BVI law, served a notice of dissent in respect of the attempt to redeem his shares on April 27, 2007. The redemption price stated is far less than what the shares are worth, as evidenced by the gross disparity between the Company's stated offer and the outstanding purchase offer by Alpha. No meaningful negotiation regarding the fair market value of the shares has yet occurred. A request was made for the provision of relevant financial and other documentation so that Prince Faisal could reach an informed opinion as to the offer made by PIAC. To date, PIAC has only offered to make available some of the information requested if certain concessions are made by Prince Faisal.

14. Any attempt by the Company to redeem Prince Faisal's shares as stated in the Notice could lead to irreparable damage to Prince Faisal. Unless the Company and PIAC are restrained from redeeming the shares:

- a. The rights that Prince Faisal has as shareholder (including without limitation his rights under Section 13 of the referenced agreement) will be lost.
- b. If the shares are forcibly redeemed, Prince Faisal could face significant New York secondary liability for City and State transfer tax liability (exceeding \$6 million) that should be borne by the Company's subsidiary (the owner of the real estate) and PIAC. There has been no assurance that either Defendant will make such payment.
- c. The Company, on its own behalf or at its instructions, may take steps to amend the share register.
- d. Prince Faisal is entitled to invoke the mechanism contained in section 179(8) of the Act, which would require the Company to enter into negotiations with a view to agreeing the fair value of Prince Faisal's shares subject to redemption.

15. No known prejudice can be suffered by the Company or PIAC if the injunction is granted.

**FIRST CAUSE OF ACTION
Tortious Interference with Contractual Relations
Against All Defendants**

16. Plaintiff Prince Faisal repeats and re-alleges prior paragraphs 1-19 of this Complaint as though set forth in full herein.

17. Plaintiff Prince Faisal and Alpha entered into a valid purchase agreement under which Alpha would pay \$8,600,000 for 7200 shares of the Company held by Prince Faisal.

18. PIAC was given notice and had knowledge of the purchase agreement and its terms between Prince Faisal and Alpha.

19. Rather than lawfully exercise its rights of first refusal under the shareholders' agreement, or permit the sale to proceed, PIAC instead opted to deceitfully exert its dominion and control over the Company and together forced a redemption of Prince Faisal's shares as an end run around his contractual rights with Alpha.

20. PIAC and the Company were aware of the contractual obligations between Prince Faisal and Alpha and have intentionally tried to strip Prince Faisal of the benefit of his bargain with Alpha by forcing him to redeem his shares for a fraction of their worth. PIAC and the Company have interfered intentionally, and Prince Faisal would have sold the shares to Alpha but for the Defendants' interference.

21. Plaintiff Prince Faisal has been damaged and will continue to be damaged by Defendants' conduct.

SECOND CAUSE OF ACTION
Tortious Interference with an Economic Relationship
Against All Defendants

22. Plaintiff Prince Faisal repeats and re-alleges prior paragraphs 1-25 of this Complaint as though set forth in full herein.

23. Plaintiff Prince Faisal and Alpha entered into an economic relationship with Alpha wherein Alpha would purchase 7200 of Prince Faisal's shares of the Company, subject only to PIAC's exercise of its right of first refusal, for the purchase price of \$8,600,000.

24. PIAC was given notice and had knowledge of the purchase agreement between Prince Faisal and Alpha.

25. PIAC and the Company were aware of the contractual obligations between Prince Faisal and Alpha and have intentionally tried to strip Prince Faisal of the benefit of his bargain with Alpha by forcing him to redeem his shares for a fraction of their worth. PIAC and the Company have interfered intentionally, and Prince Faisal would have sold the shares to Alpha but for the Defendants' interference.

26. Plaintiff Prince Faisal has been damaged and will continue to be damaged by Defendants' conduct.

**THIRD CAUSE OF ACTION
Breach of Contract Against PIAC**

27. Plaintiff Prince Faisal repeats and re-alleges prior paragraphs 1-30 of this Complaint as though set forth in full herein.

28. PIAC has breached the express terms of the Shareholder's Agreement between the parties by instructing the Company to force a redemption of Prince Faisal's shares in order to avoid its right of first refusal obligations.

29. Plaintiff Prince Faisal has fulfilled his obligations under the Shareholder's Agreement by fully complying with the right of first refusal provision of the agreement and sending notice of the agreement with Alpha to PIAC.

30. Plaintiff Prince Faisal has been damaged and will continue to be damaged by Defendant PIAC's conduct.

**FOURTH CAUSE OF ACTION
Breach of the Implied Duty of Good Faith and Fair Dealing
Against PIAC**

31. Plaintiff Prince Faisal repeats and re-alleges prior paragraphs 1-34 of this Complaint as though set forth in full herein.

32. PIAC bears an implied duty of good faith and fair dealing in connection with, and in the performance of, the Shareholder's Agreement.

33. PIAC has a duty implied as a matter of law to do nothing destructive of Prince Faisal's right to enjoy the fruits of the Shareholder's Agreement and to do everything that the Shareholder's Agreement presupposes will be necessary to accomplish their purposes.

34. PIAC has wielded its discretionary powers under the Shareholder's Agreement in a manner which threatens to defeat the reasonable expectations of Prince Faisal.

35. The parties and the clear terms of the Shareholder's Agreement granted Prince Faisal the authority to sell his shares in the Company to a third party after the expiration of PIAC's right of first refusal period had expired. Because it did not want to pay Prince Faisal the true worth of his shares in the Company as Alpha had contracted to pay (\$8,600,000), PIAC has instead sought to block Prince Faisal's right to do so by orchestrating a forced redemption proceeding by the Company.

36. By virtue of its dominion and control of the Company, PIAC arbitrarily, and in a manner inconsistent with the reasonable expectations of the parties, instigated these redemption proceedings which are clearly contrary to the expressed intent of the parties. PIAC did so willfully and in a malicious attempt to evade the legal obligations under the Shareholder's Agreement. Accordingly, PIAC has breached its implied covenant of good faith and fair dealing in fulfilling the purposes of the Shareholder's Agreement.

37. As a result, Prince Faisal has been unable to proceed with his right under Section 13 of the Shareholder's Agreement to sell his shares to a third-party and has been damaged as a result.

FIFTH CAUSE OF ACTION
Injunction

38. Prince Faisal repeats and realleges paragraphs 1 through 41 above, as if set forth here in full.

39. Rather than buy Prince Faisal's shares according to the terms of the Shareholder's Agreement via exercise of its right of first refusal, PIAC is attempting, through its control and dominion of the Company, to force a redemption of Prince Faisal's shares for a grossly reduced price.

40. This forced redemption for a fraction of the share's worth will prevent Prince Faisal from obtaining the benefit of his bargain with Alpha, the third party purchaser of the shares.

41. Plaintiff requests an injunction enjoining Defendants from pursuing the Company's imminent forced redemption of Prince Faisal's shares.

SIXTH CAUSE OF ACTION
Civil Conspiracy Against All Defendants

42. Prince Faisal repeats and realleges paragraphs 1 through 45 above, as if set forth here in full.

43. As alleged above, Defendants have tortiously interfered with Prince Faisal contractual relations and economic relationship.

44. Rather than exercise its right of first refusal to Prince Faisal's shares in the Company, PIAC has attempted to wrest control of his shares by conspiring with the Company to instigate a forced redemption of Prince Faisal's shares for a fraction of their worth.

45. The Company has indeed instigated a forced redemption of Prince Faisal's shares in furtherance of it and PIAC's plan to deny Prince Faisal the benefit of his bargain with Alpha, a third party purchaser of his shares.

46. As a result Prince Faisal has been damaged and will continue to be damaged by Defendants' conduct.

DEMAND FOR RELIEF

WHEREFORE, plaintiff respectfully demands judgment against Defendants as follows:

- (a) granting a temporary restraining order and preliminary and permanent injunctions prohibiting defendants, their agents, servants, employees, officers, attorneys, and all other persons in active concert or participation with it, from acting on and/or pursuing the forced redemption of Prince Faisal's shares of the Company;
- (b) awarding attorneys' fees, costs, and disbursements in prosecuting this action to the extent permitted by law; and
- (c) awarding such other and further relief as this Court deems just and proper.

Dated: June 4, 2007

GIBSON, DUNN & CRUTCHER LLP

By: 

Mitchell A. Karlan

200 Park Avenue,
47th Floor
New York, New York 10166-0193
Telephone: (212) 351-4000
Facsimile: (212) 351-4035

Attorneys for Plaintiff

Index No. /07
SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

H.R.H PRINCE FAISAL BIN KHALID BIN
ABDULAZIZ AL SAUD,

Plaintiff,

v.

PIA INVESTMENTS LIMITED AND PAKISTAN
INTERNATIONAL AIRLINES CORPORATION

Defendants

SUMMONS AND COMPLAINT

GIBSON, DUNN & CRUTCHER LLP

Attorneys for Plaintiff

200 PARK AVENUE
NEW YORK, NY 10166-0193
(212) 351-4000

To , Esq.,

Attorney for

Due and proper service of a copy
of the within is hereby admitted

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العلماء في حياة الفلاسفة

وصاحب السمو الملكي الأمير سعود بن خالد بن عبد العزيز آل سعود
وعونه السرمه والملكبة العربية
السعوديية (أشار اليه في
بعض الأوقات) ويظهر
هذا التوقيع في بعض
الوثائق

ent by : 547538

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the context so admits, include his heirs, executors, successors, representatives and permitted assigns), of the third part :

W H E R E A S :

(a) The present authorised capital of the COMPANY is Dirhams 50,000,000, out of which shares of the value of Dirhams 40,000,000 have been subscribed and paid for in full by PIAC ;

(b) By corporate action duly taken, the COMPANY has, subject to the approval of His Highness, The Ruler of Sharjah, increased its authorised capital to Dirhams 120,000,000, and is desirous of inviting subscriptions in cash for the issue of further capital of the value of Dirhams 40,000,000 ;

(c) PIAC has submitted an "Investors Profile" to HRH PRINCE FAISAL, containing detailed particulars of the COMPANY's activities and development proposals,

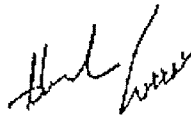
المستثمرين بذلك و
وذلك في وصيته وخلفائه ومثلهم
والمتداول لهم (طريف ثالث)

حيث ان :

(أ) ان رأسمال الشركة المصرح
به حالياً هو ٥٠,٠٠٠,٠٠٠ درهم
التي تم دفعها بالكامل باسم
٤٠,٠٠٠,٠٠٠ درهم دفعت بالكامل

(ب) ان الشركة قد اتخذت قراراً طبقاً
للأصول المعمول بها في
مستوحات المصارف العامة من
رأسمال الشركة المصرح به
التي ١٢٠,٠٠٠,٠٠٠ درهم
وتدعى في الدفتر التي لاكتساب
تزيد رأسمالاً بمسألة
٤٠,٠٠٠,٠٠٠ درهم

(ج) ان بريك ليد قد قدمت إلى
مستوحات المصارف العامة (دليل
مستثمرين) يحتوي على تفاصيل
نشاطات الشركة وخططها
وخططها المستقبلية



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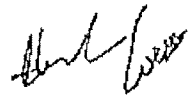
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and has invited HRH PRINCE FAISAL to subscribe and pay for such additional capital on the terms herein contained ;

- (d) HRH PRINCE FAISAL has completed a detailed examination into the COMPANY's affairs, and has agreed to proceed with the acquisition of such additional capital ;

NOW, THEREFORE, THIS AGREEMENT WITNESSES that it is hereby agreed and declared by and between the parties hereto as follows -

1. HRH PRINCE FAISAL hereby agrees and undertakes to subscribe for and take 400,000 shares in the capital of the COMPANY, on or before the 14th day of July 1979, and in consideration thereof, will pay therefor in cash to the COMPANY Dh 100 per share, being a total of Dh 40,000,000 ("the Subscription Price"), on or before the said date. Upon the COMPANY's receipt from HRH PRINCE FAISAL, of the entire



(٢)

التي ستؤاها ~~مستثمر~~
لكن يتوجب ويصدق رأى المال الاضافى
طابقا للشروط الواردة فى ~~مستند~~
الانظمة .

(د) ان ~~مستثمر~~ ~~مستثمر~~
قد انتهى من التدقيق التفصيلى فى
شئون الشركة ووافق على استلام
رأى المال الاضافى

وبناء على ذلك فان ~~مستند~~
الاتفاقية تشهد على
ان الاشراف قد اتفقوا على ~~مستند~~
بمضى ما يلى :

١- بهذا يوافق ~~مستثمر~~
لمستثمر ويتعهد بالاكتساب ~~مستند~~
١٠٠,٠٠٠ سهم لى رأى ~~مستند~~
الشركة فى اقبل اليوم .

من شهر ~~مستند~~ سنة ١٩٧٩
ولمستثمر ذلك سيدفع للشركة
لكمدا ١٠٠ درهم من ~~مستند~~
وبمجموع مقداره ١٠,٠٠٠,٠٠٠ درهم
لمستثمر الاكتساب) وذلك لمستثمر
اقبل اليوم المذكور ومستثمر
استلام الشركة ~~مستند~~
الاكتساب بالاسم ~~مستند~~
الاستثمار ~~مستند~~

لان

(4)

2-21-61

بهيئتك مستطاب من الشريك
 اتخذنا جميع الخطوات
 المظلمة لا ضئيلة
 هذه الأساليب التي سوف
 ليصير ليصل حتمين يعبر
 وأعمال الشريك في
 واليكتب لي والمدة
 ٨٠,٠٠٠,٠٠٠ درهم
 بهيئتك ويملكك نصف
 من الأساليب لي

٢ - بهذا تتخلص من بينناك الى سمو الأمير
 ليعلمنا وياقنا لهذا الاتفاقية
 من جميع المسائل المتعلقة بالثمن
 عند تسليم ملكنا لهذا بموجب العقد ٥
 من النظام الاساسي للشرطة والمتعلقة
 باصدار الاسلحة الاسلحة المذكورة

٣ - ويوافق سموه الأ مير فيصل
ويتعهد من كان ذلك عليه بعد
تاريخ هذه الأ تفاقية بأن لا يمد
مهاجرين من جنسها معنسل جميع
الكلمات الصادقة من بينك او من
موضحة بالهدول العرفي (و انك
لثمان ديون والتزامات الشركة
الأخرى وان يكون هذا التعميم
(١) بالهيئة المعادل نصف مجموع
الكلمات التالفة كمنها ذلك
سبباً

Art Cossin

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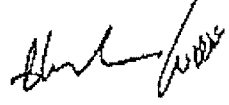
AFRIDI, AMBELL SHU

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(5)

and (ii) in each instance in form and from sources acceptable to the beneficiaries of the guarantees HRH PRINCE FAISAL shall participate on the same basis and to the same extent as PIAC in any future guarantees the COMPANY's creditors may require.

4. PIAC has provided the COMPANY with a loan of US \$ 3.2 million ; HRH PRINCE FAISAL agrees to grant a loan for the same amount to the COMPANY simultaneously with payment of the Subscription Price hereunder. Both such loans shall be rateably repaid by the COMPANY to PIAC and HRH PRINCE FAISAL, and shall in all respects be governed by the same terms and conditions.



(٥)

و (٢) في كل حالة وبالمهنة ومن
المصالح والمصالح لمصلحة
المستفيدين من الكفالات
سواء في الأصل أو في
المستفيدين الأصليين
المستفيدين من أي كفالات
يطلبها في المستقبل
ستطلبها .

٤. لقد قدمت شركة
قروض بمقداره ٣.٢ مليون دولار
وان سمحوا لشركة
بإعطاء قرض للشركة
بالمبلغ نفسه في نفس
الوقت الذي يدفع فيه
من الأقساط، وستقوم الشركة
بسداد القرضين بنفس النسب
التي يسدداك وستسددوا
في نفس الوقت وسيتحكم
ومن جهة التوازي في
نفس الشروط .

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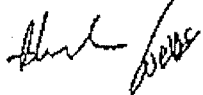
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(6)

(٦)

5. It is recognised that the COMPANY's activities relate to investment in individual hotel and similar projects, and that, for the development of such projects, guarantees from the shareholders of the COMPANY are from time to time required in addition to the COMPANY's equity contribution. It is hereby agreed that the interest of each shareholder in any individual project shall be the aggregate of his/its equity contribution, whether direct or through the COMPANY, and the amount of any such guarantee granted by him/it, and provision to that effect shall be made in an agreement governing each investment made by the COMPANY, whether prior to or after the date of this Agreement.



٥ - من المتعارف به أن نشاطات الشركة تقتصر بالأساس على الاستثمار في الفنادق الفردية والمشاريع المماثلة وأنه من أجل تنمية هذه المشاريع فإن كفاءات من المساهمين في الشركة ستكون مطلوبة من وقت لآخر بالاعتماد على طبيعة الأعمال وأعمال الشركة رأس مال الشركة المدفوع وبهذا الحد تم الاتفاق بأن مصلحة كل مساهم في أي مشروع ستكون المحيطة بالكل مساهمة المساهم في رأس المال المدفوع سواء كان ذلك مباشرة أو من طريق الشركة وتضمن الكفاية التي يقدمها وستضمن طمس ذلك في الاتفاقية الخاصة بحكم كل استثمار تقوم به الشركة كسبل ذلك في السجل تاريخ مساهمة المساهمين في الشركة أو بغيره.

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(7)

(٧)

6. The parties hereto undertake to abide by the provisions of the Decree establishing the Company, and of the Memorandum and Articles of Association of the COMPANY, as the same may from time to time be amended, and by all corporate actions taken by the COMPANY prior to or following the date the COMPANY receives the entire Subscription Price.

٦ - سيخضع جميع أطراف هذه الاتفاقية
تحتسب الاتفاقية بالقرارات
بأحكام الشركة وطبقاً
ونظامها الأساسي والتشريعي
وجميع تعديلاتها من وقت لاخر
وبجميع الاعمال التي تقوم
بها الشركة قبل أو بعد
تأسيسها استلام الشركة
للمبلغ الاشتراك.

7. Promptly after the COMPANY receives payment of the total Subscription Price of Dh 40,000,000, and the loan referred to in clause 4 above from HRH PRINCE FAISAL, the parties hereto will take all such action and do all such things as may be necessary to increase the number of Directors of the COMPANY from four to eight.

٧ - بعد استلام الشركة
لمبلغ الاشتراك بالكامل والمبلغ
٤٠,٠٠٠,٠٠٠ درهم والقرض المشار اليه
في البند (٤) من مواد الشركة
لجميع سجلات أطراف هذه الاتفاقية
سواء بالتحليل أو بالبراءات
والأشياء التي قد تكون
ضرورية لإنهاء مسند المدراء
من اربعة الى
ثمانية.

8. FIAC will not propose any nominee for election to any of the four new directorships and will permit HRH PRINCE FAISAL to nominate such four

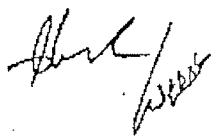
٨ - لن تقترح أي مرشح لهذا
للاشتراك لأي من وظائف
المسنداء الاشتراك الجديدة
ويعتبر لسمس
المرشح لسمس

(8)

additional Directors from among persons previously approved by PIAC. The terms of office of such additional Directors shall expire simultaneously with the expiration of the terms of office of the existing Directors.

9. For so long as PIAC holds directly or beneficially not less than 400,000 Shares, the parties hereto will assure that one-half the total number of Directors will at all times be nominees of PIAC from among persons previously approved by HRH PRINCE FAISAL, and that the Chairman of the Board will be a Director nominated by PIAC, and HRH PRINCE FAISAL will vote his Shares to effect the foregoing.

10. In order to maintain continuity in operations and in the management of the COMPANY, and to implement its development plans, HRH PRINCE FAISAL requires and the parties hereto have accordingly agreed not to take or initiate any action to change the existing management team of the COMPANY, and



HRH PRINCE FAISAL

13/12/07 10:00

(8)

مستولا الا بمجلس مستدرا الا ما يقرره
من بين اشخاص والى التي
بهاك من قبل ومثلهم في
عمل مستولا المستدرا في
التي تلتهم فيستجبه لثمة
المستدرا الحسابات

أنت طالما ظلت يملك تلك
أو مستدرا لا يملك من
سهم لأن الاطراف يؤكدون بأن
المجموع الكلي للمستدرا
جميع الاوقات يمثلهم
من بين اشخاص والى التي
الا مستدرا من قبل
وأن رئيس مجلس الادارة
مجلس يملك وأن مستدرا
فصل فيصوت بما يملك
اسهم لظلمت ذلك

أب من اجل المحافظة على
في أعمال وفي ادارة الشركة
تطلب لمطالبة للتعبئة
مستدرا والمستدرا
بطلب وأن الاطراف يملك
ذلك لاند والى التي
يتخذوا أو يبدوا أي إجراء
الادارة الحالية للشركة
وظلمت

by : 547336

HERIDI HAMEL SHJ

H4-784

12/12/94

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(9)

accordingly no change shall be made in the present Chairman, Managing Director and other office bearers of the COMPANY without the unanimous consent of the reconstituted Board of Directors of the COMPANY in terms of clause 8 above.

لذلك لن يحدث أي تغيير لعضوية
مجلس الإدارة الحالي والمدير
التنفيذي وشاغلين الوظائف
الأخرى بالشركة دون موافقة
الجمعية لمجلس إدارة الشركة المعيد
تكوينه طبقاً لأحكام البند 8 أعلاه

10. The parties hereto will take all requisite corporate steps to cause an Executive Committee of the Board of Directors of the COMPANY to be created, and to cause the functions and responsibilities of the management of the COMPANY to be divided as follows :

الاسيطة والأطراف جميع الخطوات
الإدارية والشرعية لتأسيس لجنة
تنفيذية لمجلس الإدارة وسيلتزم
بتفويض أعمال ومسؤوليات الإدارة
التي هي من اختصاصها :

- (a) the Board of Directors, to be presided over by the Chairman (with such Chairman having the right to cast an additional casting vote in the case of a tie vote), shall be responsible for overall policy, determination of investment portfolios and identification of geographical areas of operation of the Company and all corporate functions, including appropriation of profits and similar matters ;

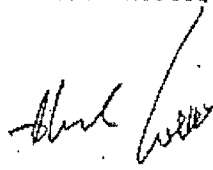
(أ) سيكون مجلس الإدارة برئاسة
رئيسه (وللرئيس صوت مرجح في حالة
تساوي الأصوات) مسئولاً عن السياسة
العامة وتحديد النواحي الاستثمارية والمناطق
الجغرافية لمعاملات الشركة وجميع
أعمالها وبشكل خاص تلك
التي هي من اختصاصها
والأهم من بينها:

Handwritten signature

(10)

- (b) an Executive Committee, to be composed of four Directors, of whom two, including the Managing Director, will be selected from among the Directors nominated by FIAC, and two Directors will be selected from among the Directors nominated by HRH PRINCE FAISAL, and such Executive Committee shall have the responsibilities of implementing the policies of the Board of Directors and directing the activities of the Managing Director ;

- (c) The Managing Director shall be responsible for all day-to-day functions in connection with the operations of the Company, under the control and direction of the Executive Committee.



(١٠)

تكون لجنة تنفيذية من أربعة
بدرء يتسبب اختيار اثنين منهم
بما بينهم المدير التنفيذي
من بين المديرين الذين يمثلهم
بمكثهم اختيار اثنين من
بين المديرين الذين يمثلهم
مسؤولاً عن تنفيذ وسمول
مجلس اللجنة التنفيذية
ممثلين من مجلس إدارته
مجلس الإدارة وتكون
للمجلس إدارته
المسؤولين
التنفيذية

(ج) سيكون المدير التنفيذي
مسؤولاً عن الأعمال
التي تتطلبها العمليات
الشركة ولا
تحت إشراف وتوجيه
اللجنة التنفيذية

by 547336

HERIDI ANGELL SHJ

04-244 12/12/04

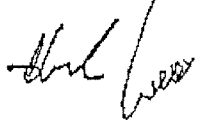
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(11)

12. The parties hereto undertake to exercise their respective voting rights to procure the appointment of Minhal Incorporated as managers/operators of all hotel projects in which the COMPANY acquires an equity interest. The remuneration payable to Minhal Incorporated for its services as aforesaid shall be mutually agreed in each instance, and shall be in accordance with that commonly charged by international hotel chains.

13. Neither PIAC nor HRH PRINCE FAISAL shall sell, transfer, assign or otherwise dispose of their respective Shares in the COMPANY without first offering the other in writing of its/his intention to do so and affording such other the opportunity to acquire the same, for itself/himself or its/his nominees, at a price and on terms no less favourable than the price and terms at which the



(11)

١٢ سيتمسند الإطسراى بأن يمسارس
كل منهم حقوقه فى التصويت
من أجل تعيين شركته مهنسبال
المسندود لمندراء لجهسبمسج
مشاريع اللبىادى التى يمسرون
لشركته حصه فى رأسمالها الذسوع
وسيجب الاطلاع على كل مسالة على
الامساب المستكملة لشركته
مهنسبال المسندودة فى مهنسبال
المسندوبات المذكورة
وسيجب ان ذلك مهنسبال
للاطلاع على المسندوبات
مهنسبال مسنداة مهنسبال
اللمسبادق العالمسبسة

١٣ - لن يبيع أى من
الامسبرفمسبال مسج او مهنسبال
او اللمسبال او اللمسبال
فى اسبسه دون ان يخطبر اولا
الطسرى الاخر كتابة بئسبه الايام
مسلك وان يمسج ذلك الطسرى
الفرصة لملكمها لئسبسه
او لملكمها مهنسبال لا يمسبال
من اللعن والشمسروط اللعن
مهنسبال الطسرى

by 547336

AFRIDI ANGELL SHJ

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(12)

party serving notice can,
in a bona fide sale, make
disposition thereof.

14. This Agreement shall
extend to and be binding
upon each of the parties
hereto, its successors and
assigns.

15. No modification of this
Agreement shall be valid
unless made in writing
and signed by the
parties hereto.

16. If any question or difference
whatsoever shall
arise between the parties
touching this Agreement
or any clause or thing
herein contained or the
construction thereof,
or as to any matter in
any way connected
therewith or arising
therefrom, then, and in
all such cases, the
matter in dispute shall
be referred to arbitration
in London by three arbitra-
tors in accordance with the
Rules of Conciliation and
Arbitration of the Inter-
national Chamber of Commerce,
Paris, and any award or

Handwritten signature

(13)

بالسند الاخطسار العجول
عليها اذا تعذر ايها
بالبيع بنهضة حسنة

١٤ - ستشتمل هذه
الاتفاقية وتلتزم
بمصرية المسجل طمس
ليها ولعائلاتها
والتعاقب لهما

١٥ - أي تعديل لهذه
الاتفاقية ليس
مبارى المدعى بل
كتابة وتامها عليه بواسطة
الاطراف المذكورين فيها

١٦ - اذا نشأ أي نزاع او خلاف
بين الاطراف يتعلل
بهذه الاتفاقية او أي
شئ أو أي بند وارد فيها
او ليس تفسيرا منها او
أي موضوع يتصل بها او
عليها فان الامر يرجع
الى التسوية وفي جميع
مادة المتعلقات
سواء كان الشئ
التحكيم ليس لتسوية
بواسطة قضاة
معيّنين طبقا
للإجراءات المتبعة
والتحكيم الخاص
بمصرية التجميع
السند والبرهان
(بارس)

by : 547336

AFRIDI NIGELL SHJ

13/12/94

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(13)

awards rendered in such arbitration shall be final and binding on the parties, who shall give full effect thereto..

IN WITNESS WHEREOF the parties hereto have duly executed this Agreement on the day and year first above-written.

SIGNED and DELIVERED by the abovenamed HIS ROYAL HIGHNESS, PRINCE FAISAL BIN KHALID BIN ABDUL AZIZ AL SAUD, in the presence of :

SIGNED and DELIVERED for and on behalf of the abovenamed PAKISTAN INTERNATIONAL AIRLINES CORPORATION by Mr. Kamal Agha duly authorised in that behalf, in the presence of :

SIGNED and DELIVERED for and on behalf of the abovenamed, PIA INVESTMENTS LIMITED by Mr. Ali Mansoor M. Noor Khan duly authorised in that behalf, in the presence of :

WITNESSES -

M. A. K. - AFRIDI
OYE DIAMANT & Co.
Dubai

(14)

وسمى هذا الاتفاق

بموجب هذا الاتفاق

تواثما وملتزمة للأطراف وسيكون تنفيذها بالتكامل واشهادا على ذلك لان الأطراف قد تأسست بالتواضع على هذه الاتفاقية في اليوم والسنة الموقرة في اولها كذا

تم التوقيع والتبادل بواسطة المذكور سمو الامير فيصل بن خالد بن عبد العزيز آل سعود في حضور

تم التوقيع والتبادل بواسطة من المذكور امين الله بواسطة السيد وهو مسؤول بذلك في حضور

تم التوقيع والتبادل بواسطة من المذكور امين الله بنى اى امه للاستثمارات المحدودة بواسطة السيد وهو مسؤول بذلك في حضور

RECYCLED

TERRITORY OF THE BRITISH VIRGIN ISLANDS
THE INTERNATIONAL BUSINESS COMPANIES ACT
(No. 8 OF 1984)

ARTICLES OF ASSOCIATION

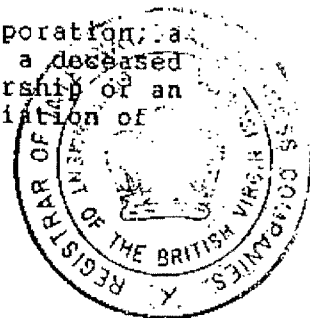
OF

PIA INVESTMENTS LIMITED

PRELIMINARY

1. In these Articles, if not inconsistent with the subject or context, the words and expressions standing in the first column of the following table shall bear the meanings set opposite them respectively in the second column thereof.

<u>Words</u>	<u>Meaning</u>
capital	The sum of the aggregate par value of all outstanding shares with par value of the Company and shares with par value held by the Company as treasury shares plus (a) the aggregate of the amounts designated as capital of all outstanding shares without par value of the Company and shares without par value held by the Company as treasury shares, and (b) the amounts as are from time to time transferred from surplus to capital by a resolution of directors.
member	A person who holds shares in the Company.
person	An individual, a corporation, a trust, the estate of a deceased individual, a partnership or an unincorporated association of persons.



resolution of
directors

- (a) A resolution approved at a duly convened and constituted meeting of directors of the Company or of a committee of directors of the Company by the affirmative vote of a simple majority of the directors present at the meeting who voted and did not abstain; or
- (b) a resolution consented to in writing by all directors or of all members of the committee, as the case may be;

except that where a director is given more than one vote, he shall be counted by the number of votes he casts for the purpose of establishing a majority.

resolution of
members

- (a) A resolution approved at a duly convened and constituted meeting of the members of the Company by the affirmative vote of
 - (i) a simple majority of the votes of the shares entitled to vote thereon which were present at the meeting and were voted and not abstained, or
 - (ii) a simple majority of the votes of each class or series of shares which were present at the meeting and entitled to vote thereon as a class or series and were voted and not abstained and of a simple majority



of the votes of the
remaining shares
entitled to vote
thereon which were
present at the meeting
and were voted and not
abstained; or

- (b) a resolution consented to
in writing by
 - (i) an absolute majority
of the votes of shares
entitled to vote
thereon, or
 - (ii) an absolute majority
of the votes of each
class or series of
shares entitled to
vote thereon as a
class or series and of
an absolute majority
of the votes of the
remaining shares
entitled to vote
thereon;

securities

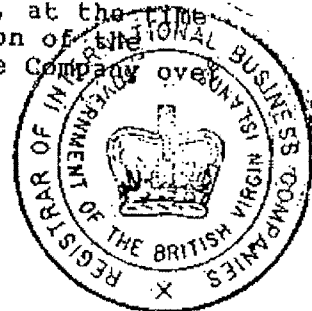
Shares and debt obligations of
every kind, and options,
warrants and rights to acquire
shares, or debt obligations.

Shareholders'
Agreement

An agreement dated June, 1979
between the Company, Pakistan
International Airlines
Corporation, a corporation with
limited liability formed and
existing under the laws of
Pakistan having officers at
Karachi Airport, Karachi,
Pakistan and his Royal Highness,
Prince Faisal Bin Khalid Bin
Abdul Aziz Al Saud of Riyadh,
Kingdom of Saudi Arabia.

surplus

The excess, if any, at the time
of the determination of the
total assets of the Company over



the aggregate of its total liabilities, as shown in its books of accounts, plus the Company's capital.

the Act

The International Business Companies Act (no. 8 of 1984) including any modification, extension, re-enactment or renewal thereof and any regulations made thereunder.

the Memorandum

The Memorandum of Association of the Company as originally framed or as from time to time amended.

the Seal

Any Seal which has been duly adopted as the Seal of the Company.

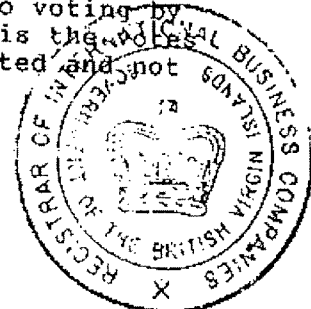
these Articles

These Articles of Association as originally framed or as from time to time amended.

treasury shares

Shares in the Company that were previously issued but were repurchased, redeemed or otherwise acquired by the Company and not cancelled.

2. "Written" or any term of like import includes words typewritten, printed, painted, engraved, lithographed, photographed or represented or reproduced by any mode of reproducing words in a visible form, including telex, facsimile, telegram, cable or other form of writing produced by electronic communication.
3. Save as aforesaid any words or expressions defined in the Act shall bear the same meaning in these Articles.
4. Whenever the singular or plural number, or the masculine, feminine or neuter gender is used in these Articles, it shall equally, where the context admits, include the others.
5. A reference in these Articles to voting in relation to shares shall be construed as a reference to voting by members holding the shares except that it is the shares allocated to the shares that shall be counted and not



the number of members who actually voted and a reference to shares being present at a meeting shall be given a corresponding construction.

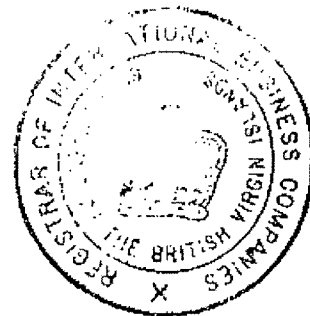
6. A reference to money in these Articles is, unless otherwise stated, a reference to the currency in which shares in the Company shall be issued according to the provisions of the Memorandum.

REGISTERED SHARES

7. Every member holding registered shares in the Company shall be entitled to a certificate signed by a director or officer of the Company and under the Seal specifying the share or shares held by him and the signature of the director or officer and the Seal may be facsimiles.
8. Any member receiving a share certificate for registered shares shall indemnify and hold the Company and its directors and officers harmless from any loss or liability which they may incur by reason of any wrongful or fraudulent use or representation made by any person by virtue of the possession thereof. If a share certificate for registered shares is worn out or lost it may be renewed on production of the worn out certificate or on satisfactory proof of its loss together with such indemnity as may be required a resolution of directors.
9. If several persons are registered as joint holders of any shares, any one of such persons may give an effectual receipt for any dividend payable in respect of such shares.

SHARES, AUTHORIZED CAPITAL, CAPITAL AND SURPLUS

10. Subject to the provisions of these Articles and any resolution of members, the unissued shares of the Company shall be at the disposal of the directors who may, without limiting or affecting any rights previously conferred on the holders of any existing shares or class or series of shares, offer, allot, grant options over or otherwise dispose of shares to such persons, at such times and upon such terms and conditions as the Company may by resolution of directors determine.



11. No share in the Company may be issued until the consideration in respect thereof is fully paid, and when issued the share is for all purposes fully paid and non-assessable save that a share issued for a promissory note or other written obligation for payment of a debt may be issued subject to forfeiture in the manner prescribed in these Articles.
12. Shares in the Company shall be issued for money, services rendered, personal property, an estate in real property, a promissory note or other binding obligation to contribute money or property or any combination of the foregoing as shall be determined by a resolution of directors.
13. Shares in the Company may be issued for such amount of consideration as the directors may from time to time by resolution of directors determine, except that in the case of shares with par value, the amount shall not be less than the par value, and in the absence of fraud the decision of the directors as to the value of the consideration received by the Company in respect of the issue is conclusive unless a question of law is involved. The consideration in respect of the shares constitutes capital to the extent of the par value and the excess constitutes surplus.
14. A share issued by the Company upon conversion of, or in exchange for, another share or a debt obligation or other security in the Company, shall be treated for all purposes as having been issued for money equal to the consideration received or deemed to have been received by the Company in respect of the other share, debt obligation or security.
15. Treasury shares may be disposed of by the Company on such terms and conditions (not otherwise inconsistent with these articles) as the Company may by resolution of directors determine.
16. The Company may issue fractions of a share and a fractional share shall have the same corresponding fractional liabilities, limitations, preferences, privileges, qualifications, restrictions, rights and other attributes of a whole share of the same class or series of shares.

